

**REGULAR MEETING
of the
CITY OF RIALTO
CITY COUNCIL**

**City of Rialto, acting as Successor Agency to the Redevelopment Agency
RIALTO UTILITY AUTHORITY**

**MINUTES
May 8, 2012**

A regular meeting of the City Council/Redevelopment Agency of the City of Rialto was held in the City Council Chambers located at 150 South Palm Avenue, Rialto, California 92376, on Tuesday, May 8, 2012.

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This meeting was called by the presiding officer of the Rialto City Council in accordance with the provisions of **Government Code §54956** of the State of California.

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CALL TO ORDER

Mayor Vargas called the meeting to order at 5:00 p.m.

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The roll was called and the following were present: Mayor Vargas, Mayor Pro Tem Ed Scott and Council Member Ed Palmer. Also present were City Administrator Michael Story, and City Clerk Barbara McGee and City Attorney Jimmy Gutierrez. Council Member Deborah Robertson and Council Member Joe Baca Jr. was absent.

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CLOSED SESSION

1. Conference with Legal Counsel – Existing Litigation. The City Council will discuss the following pending litigation pursuant to Government Code Section 54956.9(a):

(a) City of Colton v. American Promotional Events, Inc., et al.
United States District Court Case No. EDCV 09-01864 PSG (SSx)

2. Conference with Legal Counsel – Anticipated Litigation.
Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: (1)

CLOSED SESSION

3. Conference with Legal Counsel – Anticipated Litigation.
Initiation of litigation pursuant to subdivision (c) of Section 54956.9: (3)

4. Conference with Legal Counsel. Authority to enter into an Industrial Disability Retirement Agreement pursuant to Government Code Section 21406:

a) Christopher Guerrero

5. Conference with Labor Negotiator regarding the following recognized employee organization pursuant to Government Code Section 54957.6:

Agency negotiator: Brad Neufeld, GSNT
George Harris, Administrative and
Community Services Director

Employee organization: Rialto Police Benefit Association
Police Management Bargaining Unit
Mid-Management Bargaining Unit
General Bargaining Unit
CGMA Bargaining Unit
Fire Management Bargaining Unit
Firefighters Union Local 3688

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Motion by Council Member Palmer, second by Mayor Pro Tem Scott and carried by a 3-0 vote to go into Closed Session at 5:01 p.m.

Council Member Robertson and Council Member Baca Jr. were absent.

Council Member Robertson arrived 5:10 p.m.

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CALL TO ORDER

Mayor Grace Vargas called the meeting to order at 6:01 p.m.

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The roll was called and the following were present: Mayor Grace Vargas, Mayor Pro Tem Ed Scott, Council Members: Deborah Robertson and Ed Palmer. Also present were City Administrator Michael Story, City Attorney Jimmy Gutierrez and City Clerk Barbara McGee. Council Member Joe Baca Jr. was absent.

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Pledge of Allegiance and Invocation

Council Member Ed Palmer led the pledge of allegiance and Pastor Elias Valdez, The Lost and Found Ministries International gave the Invocation.

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City Attorney's Report

City Attorney Gutierrez stated they discussed conference with legal counsel under Government Code Section 54956.9 (a) pertaining to a lawsuit City of Colton v. American Promotional Events, Inc., et al., dealing with the City's perchlorate litigation. City Council received a status report on settlement negotiations and no action was taken.

City Attorney Gutierrez stated the second item was anticipated litigation and there was a possibility of a lawsuit being filed against the City. City Council was briefed on that matter. No action has been filed and no action has been taken by the City Council.

He stated the next items was conference with Legal Counsel on anticipated litigation that the City might initiate. There were three cases. City Council received a report on all of those cases and no action was taken. Direction was given to one case.

They did not discuss item 4 on the Consent Calendar.

He stated that there was conference with the City's Labor Negotiator discussing only two of the various employee bargaining units. No action was taken.

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PRESENTATIONS AND PROCLAMATIONS

Mayor Vargas presented a Certificate of Recognition – Volunteer Veteran of the Year 2012 to George Apker, who is being recognized by Assemblymember Amina Carter.

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Mayor Vargas presented a Proclamation for 2012 National Police Week (Blue Ribbon Week) to Police Chief Tony Farrar.

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Police Chief Tony Farrar recognized the 2011 Officer of the Year - Detective Robert Williams III.

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Mayor Vargas presented a Proclamation recognizing 2012 National Public Works Week to the Interim Public Works Director Gene Klatt.

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Mayor Vargas presented a Proclamation recognizing 2012 National Arson Awareness Week to Fire Chief Mat Fratus.

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Mayor Vargas presented a Proclamation recognizing Perinatal Mood Disorders Awareness Month to Carol Gressmann, Volunteers of America Early Head Start and State Preschool.

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**PRESENTATIONS AND
PROCLAMATIONS**

Mayor Vargas recognized Josias Garza - First Place Award – Rep. Joe Baca's 13th Annual Congressional Art Competition.

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Robb Steel, Development Services Director gave the In-N-Out Burger Project Status Report.

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Mayor Pro Tem Scott stated that he is disappointed that they did not move this project forward in a more expeditious manner. Two years ago he and Council Member Baca Jr. met with the In-N-Out people and talked to them about this. They interjected themselves in this process because this is a number one thing people in this community want. They thought it was on a fast track. They have used this excuse that the demise of RDA has slowed it down, yet that demise came in February. They should have already been the 60 day process of offering this property out and they are not. From his standpoint this project needs to be put on fast track status and staff needs to move it along expeditiously. If that cannot occur then they need to hire somebody who can help make that occur. They've got to start showing this community some results for what they are promising them. This is a piece of property that has been sitting there for a long time that they have already talked to In-N-Out about. They have had people in this community come and slam this City Council over because they think they are not doing anything and then he finds out last week in EDC that this project probably isn't even going to happen this year. To him that is unacceptable. He is suggesting they find a way to fast track this and get that project moving and show some results.

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Council Member Robertson stated that she knows that everyone wants the In-N-Out Burger and thought they were going to move this forward. She also came across a memo from 2008 regarding the Renaissance Project that they would have construction of a retail center by 2010. A lot of things happen that not all the staff can be in control of and run through. In-N-Out Burger came to the City and said they were going to put this project on the back burner while they built three other In-N-Out Burgers in Texas. So, besides them trying to move this along as best they can, In-N-out Burgers put this project on the slow track.

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Mayor Pro Tem Scott stated that the reality is that it was put on the back burner for the Texas projects because the City has not expedited the project like they should have. This project was supposed to be scheduled before San Bernardino and Highland. They cannot compare this to the Renaissance project because that project is affected by the downturn in the economy. In-N-Out Burgers is not affected by it.

**PRESENTATIONS AND
PROCLAMATIONS**

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Council Member Robertson stated that when Mayor Pro Tem Scott and Council Member Baca Jr. were on EDC they were interfacing with In-N-Out Burgers and by the time she got there she heard about Texas and she didn't hear it was because the City was dragging their feet.

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Mayor Vargas stated it is said and done and they can't always blame the staff because they did go through a difficult time for all. She knows they work very hard and are human. But from now they need to make sure the community knows what they are doing and done quickly.

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Council Member Robertson asked City Administrator Story who was also in the meeting last Wednesday that if in fact there is something the staff knows and they are not sharing that they are not going to see this project even break ground before six to nine months. This project is important to this community.

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City Administrator Story stated that Mr. Steel had conversations with In-N-Out Burgers today and he will take responsibility to the point that they need to move stuff forward as quickly as they can without using excuses for RDA. They will move as quickly as they can with it and will keep City Council informed of all the steps that they are doing. They may see some stuff go horizontal on the In-N-Out Project this year with the improvements of the pads. Right now he can't say specifically whether or not they will see anything go vertical this year.

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Robb Steel, Development Services Director stated that no construction is a bleak assessment but horizontal construction is clearly possible.

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Council Member Baca Jr. arrived at 6:45 p.m.

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City Administrator Mike Story acknowledged that Fire Chief Mat Fratus was awarded a Fellowship to Harvard University's Senior Executives in State and Local Government Program this summer at the John F. Kennedy School of Government. He is one of four senior fire officials that were selected nationally.

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CHANGES TO THE AGENDA

Council Member Robertson requested that they pull TAB 10 and table it until June because having just received the documents and reports that wasn't with the Agenda, she hasn't adequately review. She would rather not have a public discussion.

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City Administrator Story they will pull the item and schedule briefings with City Council to go over all the findings and items included in the audit.

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Mayor Pro Tem Scott stated that it's unusual for the audit report to come to them without it going to the Budget Committee or review by City Council. He will once again state his objection to putting documents on the dais that they haven't had the chance to look at. Additionally, he asks that they pull TAB 5 for the same reason. Again, there is a document that has been put up there this afternoon that he hasn't had the opportunity to read or review.

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City Administrator Story stated that this is his error, this is a new procedure they are implementing with Public Works that prior to them going out and advertising for any bids they want to provide City Council with the actual document so they can review it. in the past they only came when they were going to award a contract. This way they can make comments prior to advertising the bid.

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CONSENT CALENDAR

A. WAIVE FULL READING OF ORDINANCES

1. Waive reading in full, all ordinances considered at this meeting.

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B. APPROVAL OF WARRANT RESOLUTIONS

1. Resolution No. 40 (4/20/12)
2. Resolution No. 41 (4/27/12)

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C. APPROVAL OF MINUTES

1. Regular City Council Meeting – April 10, 2012

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CONSENT CALENDAR

D. SETTING OF PUBLIC HEARINGS

1. Request City Council to set a public hearing for the **June 12, 2012** City Council Meeting to consider a Development Agreement between the City of Rialto and Target Corporation, related to the Development of a 499,000 square foot cold storage facility on 36.5 acres of land.

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E. MISCELLANEOUS

1. Request City Council to award a Construction Contract to R.Y. Rodriguez, Inc. for a replacement Automotive Lift in the amount of \$34,508.25.
2. Request City Council to approve the Revision of Mutual Aid Agreement with San Bernardino County Fire Department.
3. Request City Council to adopt **Resolution No. 6105** approving the Non-Industrial Disability Retirement of Police Officer Christopher Guerrero.
4. Request City Council to authorize the Fire Department to purchase AutoPulse Non-Invasive Cardiac Support Pumps for Paramedic Resources in the amount of \$39,188.67.

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Motion by Council Member Baca Jr. second by Council Member Robertson and carried by unanimous vote to approve the Consent Calendar.

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PUBLIC HEARING

**TAB 1 – Ordinance amending
Employer-Employee Relations
Section of the Rialto Municipal
Code Section 2.51**

George Harris, Administrative and Community Services Director stated this is an Ordinance to amend the Employer-Employee Relations of the Rialto Municipal Code to reflect changes required by AB646 which amended the Meyers-Milias-Brown Act to include fact finding as a means to resolving an impasse in labor negotiations under certain circumstances. The law became effective January 1, 2012.

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Brad Neufeld, GSNT, stated that the key change to the Ordinance is the addition of the recognized employee organizations ability to request fact finding after an impasse is declared in the negotiation process. This will potentially significantly lengthen the negotiation process if fact finding is requested. The fact finding request must be made by the employee organization within 30-45 days following the declaration of impasse. The public employment relations board has five working days from its determination from that requests to give a list of seven potential chairpersons for the fact finding panel to the parties.

PUBLIC HEARING

TAB 1 – Ordinance amending Employer-Employee Relations Section of the Rialto Municipal Code Section 2.51

The parties will then have five days to select a chair and then the fact finding panel must meet with the parties within ten days of their appointment. Once they have done that they can begin holding their hearings conducting investigations. 30 days from their appointment is their obligation to provide City Council with their advisory findings which the City has the obligation to make public within 10 days. City Council will hold a public hearing at which time they will have the option of accepting the findings or implementing the City's last and best final offer. It could easily add an additional 120 days to the process if fact finding is requested and the process plays out and the parties are unable to agree on an MOU prior to City Council holding its public hearing.

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Mayor Vargas declared the public hearing open. No one came forward.

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Motion by Council Member Palmer, second by Council Member Robertson and carried by unanimous vote to close the public hearing.

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City Attorney Gutierrez read the title of the Ordinance:

ORDINANCE NO. 1506 ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RIALTO REGARDING EMPLOYER- EMPLOYEE RELATIONS AND RULES AND REGULATIONS FOR THE CITY OF RIALTO

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Motion by Council Member Palmer, second by Council Member Robertson and carried by a 4-1 vote to introduce an Ordinance amending Employer-Employee Relations Section of the Rialto Municipal Code Section 2.51. The vote was: AYES: Mayor Vargas, Council Members: Robertson, Baca Jr. and Palmer. NOES: Mayor Pro Tem Scott. ABSTAIN: none. ABSENT: none.

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NEW BUSINESS

TAB 2 – Appropriating monies from the Water Fund for Perchlorate Litigation

City Attorney Gutierrez stated this item request the approval of Resolution that would authorize the appropriation of \$2 million from the Water Fund for legal efforts in connection with the City's perchlorate litigation. Up until now they have been involved in heavy litigation regarding these various cases. They are now in settlement mode. But because of the litigation they have found the prior appropriation to be short and they have some outstanding invoices. This \$2 million additional appropriation is their best estimate of the cost for the legal fees that will be incurred for the balance of this fiscal year. It is their effort to both implement a cleanup plan and have that funded. That is one of the central settlement items that concluding now. The other item is also to set an amount of damages that the City of Rialto will receive. This resolution will merely allow them to continue their efforts.

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Council Member Robertson stated that it was indicated that they need the additional money and there are some outstanding invoices. She would appreciate an accounting of the expenditures that are outstanding. They are projecting until the end of next fiscal year of 2012 and whatever is not expended will be put back in the fund.

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Motion by Mayor Pro Tem Scott, second by Council Member Palmer and carried by unanimous vote to adopt budget **RUA Resolution No. 12-12** appropriating \$2,000,000 in the Water Fund for Perchlorate Litigation.

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TAB 3 – Agreement with American Water to hire temporary staffing

George Harris, Administrative and Community Services Director stated this approval of a temporary staffing agreement with American Water. On March 27, 2012 City Council approved the Water and Wastewater Concession Agreement with American Water. The Concession Agreement is scheduled to take effect on September 1, 2012. American Water as part of that agreement is scheduled to hire a total of 42 employees including all the current city water employees who perform the water and wastewater field and plan operations as well as the billing and customer service support functions. The Utility Billing Division currently has four full-time employees however, one is out on a long term leave. This leaves only 3 personnel to handle all the billing and customer service duties. An additional employee that helps backfill is expected to leave this week. The division historically has been budgeted and operates optimally with six full-time employees. The division processes approximately 11,000 water bills and 21,000 wastewater bills per month. They answer 200-300 phone calls a day which have increased due to the Prop. 218 notices.

NEW BUSINESS

TAB 3 – Agreement with American Water to hire temporary staffing

George Harris, Administrative and Community Services Director stated now that the Agreement has been approved there will be a time period between the months of June and September where American Water Services will be recruiting and hiring staff that will begin on the effective date. However, having the staffing reduced to three in the months leading up to the transition will complicate the transition as customer service may suffer during the short period of time. Staff recommends that the City enter into an agreement with American Water to hire two customer service representatives effective June 1st to maintain the level of customer service leading to the transition. Pre-hiring the two additional contract staff prior to the implementation date will allow the City to provide immediate training to those selected and will assist with coverage of the current and upcoming scheduled leaves. American Water is to conduct the recruit background and hiring process for the employees. They will be considered American Water employees and in turn the city will pay American Water on a contract basis for the total cost of \$26,388 of the three months. It's expected that the two contract employees hired would remain with American Water past the effective date and on through the service of the Concession Agreement.

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Mayor Pro Tem Scott asked if they were accounting positions.

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George Harris, Administrative and Community Services Director stated no, they are customer service representatives. Currently on the City's organization chart the positions are listed as Senior Accounting Assistants.

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Mayor Pro Tem Scott asked if that amount of money consistent with what it will cost them for three people?

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George Harris, Administrative and Community Services Director stated yes, American Water looked at the salary schedule and tried to match what the City would have to pay. This includes the benefits being offered through American Water not the City.

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Council Member Robertson asked so the City will be three people down and the agreement is for three?

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George Harris, Administrative and Community Services Director stated they can get by with two.

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NEW BUSINESS

TAB 3 – Agreement with American Water to hire temporary staffing

Mayor Vargas stated so they will hire two staff before the effective date?

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George Harris, Administrative and Community Services Director stated yes, American Water plans to hire six and the City is asking that they hire two ahead of time to help bridge gap so customer service doesn't suffer during the transition. It will be up to American Water on who they hire.

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Mayor Pro Tem Scott asked of there were any layoffs in those positions?

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George Harris, Administrative and Community Services Director stated no they did not.

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Council Member Robertson stated then the other question that probably needs to be asked is why not use a temporary employment agency in the interim?

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George Harris, Administrative and Community Services Director stated temporary agencies a lot of times will force you to sign a contract. If they were to hire those people early on, they would either have to buy out the contract through the temporary agency or keep them on as temps through that term. In essence this is a temporary contract with American Water but they are not losing any valuable time training these individuals because it is expected that they will be staying on long term. There are some benefits of having American Water Provide the staffing because they are expected to be long term.

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Council Member Baca Jr. asked when the Prop. 218 Election over?

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George Harris, Administrative and Community Services Director stated June 12th.

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Council Member Baca Jr. stated this is a little premature in his opinion. He knows the rest of City Council supported the Concession Agreement but in order to contract out with American Water is premature until the Prop. 218 vote is over.

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NEW BUSINESS

TAB 3 – Agreement with American Water to hire temporary staffing

Mayor Pro Tem Scott stated he wants to make sure these are temporary employees. If the 218 doesn't pass then these employees would leave?

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George Harris, Administrative and Community Services Director stated yes, this contract is for the period of three months. If the contract ceases to move forward then they are only providing authorization for the period of three months between July and September.

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Motion by Council Member Robertson, second by Mayor Pro Tem Scott and carried by a 4-1 vote to adopt budget Resolution No. 6106 approving an Agreement with American Water to hire temporary staffing. Council Member Baca Jr. voted No.

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TAB 4 – Purchase of Police Vehicle modifications and Equipment

Police Chief Tony Farrar stated this is a request to authorize the purchase of police vehicle modifications and equipment. City Council approved the purchase of nine police vehicles back in January 2012. These vehicles were purchased to replace high mileage vehicles that needed to be taken out of service. West Coast Lights and Sirens was the only bidder. Staff recommends approval of the modifications and equipment in the amount of \$56,968.04.

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Motion by Mayor Pro Tem Scott, second by Council Member Palmer and carried by unanimous vote to authorize Purchase of Police Vehicle Modifications and Equipment in the amount of \$56,968.04.

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TAB 5 – Advertise for Bids on the Cactus Avenue Widening Project

This item was pulled from the Agenda.

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TAB 6 – Installation of Countdown Pedestrian Heads to the traffic signals in the vicinity of schools

Gene Klatt, Interim Public Works Director stated this is a request to accept the grant from the State's Highway Safety Improvements Program (HSIP) for installing countdown pedestrian heads to the traffic signals in the vicinity of schools in the amount of \$334,800. This program replaces the walking man and the hand on the pedestrian signals with actual countdown timers. City staff had included this in the 5-Year CIP and submitted to the program for consideration of funding. This was done after the City's traffic division met with the Police Dept. and the RUSD. In March they were notified they were the winner of the Grant. The City needs matching funds of \$37,300 to be provided by Measure I.

NEW BUSINESS

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TAB 6 – Installation of Countdown Pedestrian Heads to the traffic signals in the vicinity of schools

Motion by Mayor Pro Tem Scott, second by Council Member Palmer and carried by unanimous vote to accept a Grant from the State's Highway Safety Improvement Program (HSIP) for installing Countdown Pedestrian Heads to the traffic signals in the vicinity of schools in the amount of \$334,800 and adopt budget **Resolution No. 6107** for expenditures for the project.

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TAB 7 – Recognized Obligation Payment Schedule #2 for period of July 1

Robb Steel, Development Services Director, stated the next three items are City Council action items acting in its capacity as the Successor Agency to the former Redevelopment Agency of the City of Rialto. On February 28, 2012 the Successor Agency approved the draft Recognized Obligation Payment Schedule which covered the period of January 1, 2012 to June 30, 2012. The draft ROPS outlines all of their obligations for that six-month period. They have to request funding now from the County Auditor/Controller to make payments on their obligations. On April 5, 2012 the Oversight Board for the Successor Agency approved the ROPS. On April 19, 2012 the Successor Agency received a letter from the State Department of Finance rejecting 22 of the stated obligations including, among others, the Riverside/I-10 Project and Pepper Avenue. On May 3, 2012 the Oversight Board considered the rejection letter from the DOF and authorized staff to submit a modified ROPS scheduled to this date at the request that they re-consider many of the rejected items. They have provided at least the narrative portion of their defense of some of those obligations to the State. The second ROP schedule which covers the period from July 1, 2012 to December 31, 2012 is now required by the State. On May 3, 2012 the Oversight Board approved that document. In that request for approval from the Oversight Board they asked them to footnote those items they are disputing with the State.

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Mayor Pro Tem Scott stated that he sits on the Oversight Board which approved these ROPS. Number 30 which is Crossroads is an item that is within 500 feet of property/business he owns. In the Oversight Board they removed that specific item for a separate vote. Is that appropriate to do here?

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City Attorney Gutierrez stated that they can remove that item for a separate vote.

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Mayor Pro Tem Scott stated for both TAB 7 and TAB 8 item 30 on the ROPS list noted as Crossroads mixed-use, a KDF property in downtown Rialto. He declares a conflict on that item.

NEW BUSINESS

TAB 7 – Recognized Obligation Payment Schedule #2 for period of July 1

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Council Member Palmer stated that he will need to declare the same conflict on that same item.

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Motion by Council Member Baca Jr., second by Council Member Scott and carried by unanimous vote to adopt **Resolution No. SA4-12** approving the Recognized Obligation Payment Schedule #2 for the Period of July 1, 2012 to December 31, 2012 with the exception of item 30 listed on the ROPS.

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Mayor Pro Tem Scott and Council Member Palmer left the dais at 7:20 p.m.

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Council Member Baca Jr. stated that he has a questions in regards to Item 30, what their plans because KDF has been on the books for a long time.

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Robb Steel, Development Services Director, stated that they have an Affordable Housing Agreement for that project between the Rialto Housing Authority and KDF. They have an agreement from the Agency to the Housing Authority to fund all the obligations under that agreement - \$8 million. Technically they are still in compliance with all their obligations under the agreement so this is why they showed it as an enforceable obligation. If they are able to procure the financing they have been seeking the 9% tax credit for three years. It's very difficult to get those. They haven't been successful but they are coming up against their outside date. If it's not deemed to be an enforceable obligation, that agreement will be removed from the Enforceable Obligations Statement. The funding that was set aside for that project doesn't come back to them but at the moment the State is claiming that money. If this project doesn't proceed then the monies at the moment will be disbursed elsewhere.

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Council Member Baca Jr. stated so in the future they could potentially move that money elsewhere. Was that from the bond money?

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NEW BUSINESS

TAB 7 – Recognized Obligation Payment Schedule #2 for period of July 1

Robb Steel, Development Services Director, stated under the legislation as it stands today, if they don't use it for this project it goes into a pool that they State wants them to use to redeem bonds and not get put into another project. They have been monitoring legislation that would let them keep those monies but so far it has stalled in the Assembly and Senate. It's not clear that it will pass and the monies may be taken from them.

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Council Member Baca Jr. stated that in the event that they do not do this KDF project it would be nice to have the ability to look at legislation or ask them for amendments where they could move the money around to another project that could help the City of Rialto and help the residents.

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Robb Steel, Development Services Director, stated that the Developer had approached them before the legislation curtailed any negotiations. They had asked to modify the financing requirement to go from 9% credit to 4% credits. It meant they had to put a little more money into it but they could have done it immediately, there was not delay. Unfortunately it got caught up and they can't amend any contracts that have financial obligations that the State believes they are bearing. At the moment they have to wait and see what happens with the subsequent legislation and whether they get to retain any funds.

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Council Member Baca Jr. stated that his fear is losing the money and getting nothing for it.

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Robb Steel, Development Services Director, stated at that moment that is what they are faced with if the project doesn't happen, the threat is that they will lose the money.

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Motion by Council Member Robertson a, second by Council Member Baca Jr. and carried by a 3-0 vote to approve item 30 listed on the Recognized Obligation Payment Schedule #2 for the Period of July 1, 2012 to December 31, 2012. Mayor Pro Tem Scott and Council Member Palmer were absent.

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Mayor Pro Tem Scott and Council Member Palmer returned to the dais at 7:25 p.m.

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Robb Steel, Development Services Director, stated the things they are disputing with the State have huge dollar signs attached to them so don't discount the battle they are in with the dissolution process. They are challenging Riverside/I-10 and \$30 million of expenditures. They are challenging Pepper Avenue and \$15 million of expenditures.

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NEW BUSINESS

TAB 8 – Creation of a Redevelopment Obligation Retirement Fund

Robb Steel, Development Services Director, stated this item is an administrative function related to the Successor Agency duties pursuant to the Health and Safety Code. Every successor agency has to create a special fund to hold the property tax allocation from the County Auditor/Controller. They've established with the Finance Dept., Fund 343 shall be established as this fund. All the funds that come in from the County to pay the bills on this tightly prescribed schedule they are allowed to pay off of will go into that fund and flow out of that fund. They expect their first allocation of taxes from the county in June and that covers their expenses that will occur from July 1st to December 31st.

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Motion by Council Member Baca Jr., second by Council Member Robertson and carried by unanimous vote to adopt **Resolution No. SA5-12** approve the creation of a Redevelopment Obligation Retirement Fund for the Successor Agency as required by AB1 X 26.

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TAB 9 - authorizing the Conveyance of Ownership Interests in certain real property to ProLogis

Robb Steel, Development Services Director, stated that this item was considered by the Agency back in January before it was dissolved. In January 2007 the Agency entered into a lending agreement with ProLogis Development related to the acquisition of five properties on Tamarind just north of Baseline. ProLogis advanced \$6.6 million for the purpose of acquiring those properties. The Agency held them since 2007. In January 2012 the Developer submitted a letter to the Agency requesting that they Agency deed the properties back to them. They saw the handwriting on the wall with the Supreme Court decision. In accordance with that lending agreement they were entitled to ask for the properties back or ask the Agency to pay them for the properties. Buying the properties from them didn't make good business sense to them so they agreed to re-convey the properties to them. Because the Agency had no authority to re-convey the properties, it went into a title ambiguity. They consequently took the matter to the Oversight Board on April 19th. They found it was in the Successor Agency's financial interest to deed the properties back to the Developer and discharge the debt obligation.

NEW BUSINESS

TAB 9 - authorizing the Conveyance of Ownership Interests in certain real property to ProLogis

Robb Steel, Development Services Director, stated the loan from ProLogis to the Agency in exchange for giving the properties back they are going to discharge that note and in effect the City/Agency has no further financial obligations. The item after it was submitted to the Oversight Board, the State Dept. of Finance has three days to check in and challenge the action. They have not heard any comments from the State Dept. of Finance and believe they have cleared the transaction. Deeding this property back to the Developer will relieve the \$6.6 million obligation on the Agency's financial statements. It will also remove an item from the ROPS which will make the State happy. There will be a few minor incidental expenses they have to incur in the conveyance of the property. They will have ProLogis pay those expenses. There may be some nominal charges that the Successor Agency has to incur.

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Motion by Council Member Baca Jr., second by Mayor Pro Tem Scott and carried by unanimous vote to adopt **Resolution No. SA6-12** authorizing the Conveyance of Ownership Interests in certain real property to ProLogis pursuant to the Terms of the Land Acquisition Loan Agreement between ProLogis (a Maryland real estate investment trust) and the Redevelopment Agency of the City of Rialto.

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TAB 10 - Fiscal Year 2010/2011 Annual Financial Statements

This item was pulled from the Agenda.

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ORAL COMMUNICATIONS

Jose Marin, new Field Representative for Supervisor Josie Gonzales, announced Breakfast with the Supervisor Gonzales on May 18th.

He also announced funding opportunities by the South Coast Air Quality Management District. They are giving out grants to help upgrade existing facilities for alternative fuels.

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Renea Wickman, Candidate for Congress District 31, expressed her concern regarding the current Congress.

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June Hayes, P.O. Box 2395, expressed her disappointment in Candidate Wickman to come to a City Council meeting to ask for votes.

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REPORTS

Council Member Palmer stated a lot of the time people ask do they put quality people in powers of position in Rialto. He congratulated Fire Chief Mat Fratus for being selected to the Harvard Program. He congratulated Police Chief Tony Farrar who just got back from Cambridge. Here are two quality employees in position.

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Council Member Baca Jr. apologized for being late, they had a softball game. He congratulated the girls, they made the playoffs. He congratulated Carter High School for making the playoffs and Rialto High School boys team. He is happy their local students are doing well.

He met with the Rialto Girls Softball League and they were able to alleviate some of the short-term problems. Long-term they want to ensure that it's on their radar to continue to support their programs.

He wished all the mothers a Happy Mother's Day.

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Council Member Robertson stated that she attended the play, Forever Plaid at the Rialto Community Playhouse soon to be named The Sandra Courtney Playhouse.

She acknowledged Mr. Eric Arrington, who was in the front page of the newspaper this morning, who is being recognized by the Possibilities Organization as a hero inducted into their Hall of Fame. There is a national Contest underway where they are looking for local heroes and Mr. Arrington is listed in the Contest. The top prize is a Honda Odyssey minivan outfitted with a ramp so he wouldn't have to leave his chair when he pursues his next dream of coaching football at Rialto High School.

She wished everybody a Happy Mother's Day.

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Mayor Pro Tem Scott stated that he served as judge at the Jr. All American Car Show Fundraiser.

He wished everyone a Happy Mother's Day.

He asked that staff pay attention to excluding items of conflict. Especially within the former Redevelopment Agency area. He has a concern that something is going to slip by them and a mistake could be made. Anything within 500 ft of their properties should be put down as a separate TAB item and voted on separately. Just for the sake of not having some issues down the road.

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REPORTS

Mayor Vargas stated that she was proud to be chosen as one of the Women Leaders in the community along with many others.

Mayor Vargas stated that the Fashion Show at Raquel's was great.

She wished everyone a Happy Mother's Day.

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George Harris, Administrative and Community Services Director stated that they are hosting a Job Fair at Cathedral of Praise Church on May 16th. There are approximately 40 employers signed up.

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City Clerk Barbara McGee announced that the City Clerk's Office is a mail-in ballot drop off site.

She stated they are hosting the 10th Annual Memorial Day Tribute at Rialto Park Cemetery on May 28th from 10am-1pm.

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ADJOURNMENT


Motion by Council Member Baca Jr., second by Council Member Palmer and carried by unanimous vote to adjourn the City Council Meeting.

The City Council adjourned at 8:00 p.m.

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MAYOR GRACE VARGAS

ATTEST:


CITY CLERK BARBARA A. McGEE

